

- 1 **Q.** (Hydro’s June 30, 2021 submission to the Board titled *Quarterly Update – Items*  
2 *Impacting the Delay of Hydro’s Next General Rate Application*) It is stated (page 2)  
3 “As the financial restructuring of the Muskrat Falls PPA and Government’s rate  
4 mitigation plan are ongoing and the necessary information to inform the filing of a  
5 complete GRA is not yet available, Hydro believes there is material uncertainty with  
6 respect to its ability to file its next GRA in October 2021. Hydro is cognizant of the  
7 regulatory inefficiencies which may result should a complete package of information  
8 not be available to the Board and parties. Hydro will provide an update to the Board  
9 and parties as soon as new information is available.” NP states “It appears that  
10 Newfoundland Power’s customers will ultimately bear a significant portion of the costs  
11 associated with the Muskrat Falls project in the rates they must pay” (see January 15,  
12 2018 letter from NP to the Board entitled *Newfoundland and Labrador Hydro*  
13  *(“Hydro”) – 2017 General Rate Application (the “2017 GRA”): Consumer Advocate*  
14 *Application to Delay Proceeding (the “Application”)*, page 5 of 5). Given the  
15 uncertainty with respect to the Muskrat Falls Project and the significant impact it  
16 could have on the rates of NP’s customers in 2022 and 2023, and given the high risk  
17 of regulatory inefficiency, why did NP file its GRA now rather than request a  
18 deferral like Hydro?  
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- 20 **A.** In Order No. P.U. 2 (2019), the Board required Newfoundland Power to file its next  
21 general rate application by June 1, 2021.<sup>1</sup> The filing date of the Company’s application  
22 reflects that requirement. For information with respect to the Muskrat Falls Project, see  
23 response to Request for Information CA-NP-004.

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<sup>1</sup> See Order No. P.U. 2 (2019), page 16.